

# Movement – International Trade & the Issues of Child Labor and Slavery.

I. **Global economy**: the world, its people, its goods, and its money are all connected.

If you remember, the theme movement is how we are all connected. We are connected by phones, televisions, radios, the internet and international trade. For example check the tag on your shirt. Chances are good that your shirt was not made in the United States of America. The products that surround you were not made here. Most of them were made in countries from around the world, and thus you are connected to those workers from around the world.

Interestingly, even though the items were made in other countries, you bought them locally at an American owned and operated store – the Wal-Marts, K-Mart, Targets, Gaps, and Value Cities of the world. Well why are American companies having our goods made and produced in other nations? Why aren't they made here in the States?

If you guessed that it's **cheaper** you're exactly right. Let's examine this a little further by talking about some of these American companies.

## II. American Companies Abroad – Wal-Mart & Nike

**Wal-Mart**: The largest retail company in the world. Estimated 9 billion dollars in annual profit. As of 1997, operated over 3,400 stores worldwide, and employed over 910,000 people. Company is richer than 155 nations on earth.



Their mascot is a cheerful fellow named “Rollback.”

Motto: “Low prices everyday”

Wal-Mart does have low prices. Economic experts agree that Wal-Mart is an excellent value for the average family. But how do they get their prices so low?

To get such excellent prices, Wal-Mart does something common in business called subcontracting. When Wal-Mart needs, 1 million orange shirts, they put out a bid over the computer and companies from around the world bid to get the contract. For instance, *Factory A* e-mails Wal-Mart and tells them they can make those shirts for 1 million dollars. *Factory B* e-mails Wal-Mart and bids ½ million dollars, and, finally, *Factory C* bids 250,000 dollars. Obviously C, being the

cheapest, gets the contract, and Wal-Mart can pass on those savings to you the consumer. It's smart business.

**Subcontracting:** having a low bidding company or factory make your goods and products for you.

## Low Prices, But at a Price!

There's only one problem with subcontracting to companies and factories in other countries. Laws are different in other countries and some workers in other countries live in **miserable** conditions. For instance in the United States, a worker must be paid at least \$5.15 for every hour they work. This is the American minimum wage. It is extremely difficult to raise a family on the American minimum wage. Other countries do not have this law.

## Workers who make clothing that is sold in Wal-Mart stores earn the following wages per hour.



**\$2.05 an hour** in Saipan. This is United States owned island in the Pacific. If your shirt says Made in U.S.A. there's a good chance it could have been made here.

**43 cents an hour** in Honduras.

**20 cents an hour** in Bangladesh.

**13 cents an hour** in China.

Wow that's pathetic, but it gets worse. Let's talk about conditions in these factories. If you were making clothes for Wal-Mart in Bangladesh, you could work an 80 hour work week and at 20 cents an hour that's a whopping \$16.00 for your family. In addition you will have no health insurance, no maternity leave if you're pregnant and you'll be forbidden to unionize so you could get better treatment. We have a word for factories like this. They are called

**sweatshops:** factories with intolerable and unsafe working conditions.

Now to be fair Wal-Mart isn't the only one whose stores sell clothing made in sweatshops. In fact every store and company has and sells clothes made in such sweatshops. I just mention Wal-Mart because they are the biggest. To be fair let's talk about another American company.

- III. **Nike: A shoe juggernaut.** Nike spends over a half billion dollars a year simply in advertising. Spokespersons include Tiger Woods and Michael Jordan who are paid around 25 million dollars each per year to endorse Nike shoes.

Nike's famous motto      **“Just Do It”**

And that's apparently what they tell their workers in Indonesia. Nike shoes are made in sweatshop conditions in factories that reek of powerful glues. The workers have little protection from the glues and solvents made to hold the shoes together and many end up suffering through for around \$2.00 an hour. Meanwhile, while they are suffering Nike turns around and sells the shoes to you for \$150.00 and up!

And again Nike isn't alone. All shoe companies have relocated to other nations for the cheap labor, which gives us cheaper prices but is the cost worth it? Now let me tell you something really sad.

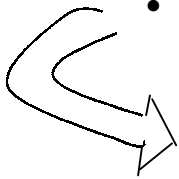
- IV. **Soccer balls:** half of the soccer balls sold in the U.S. are manufactured in Pakistan. Soccer balls have to be hand sewn. An adult's hands, however, are too big, and a little boy's hands aren't skilled enough. The only people that are able to sew soccer balls together are little girls usually under 14.

**Now let's imagine the little girl sewing this soccer ball.** She works three hours on each soccer ball, sewing 2 or 3 of them together in a day. She receives 30 cents a ball. She has probably never been to school for she must work to help out her family and to eat every day. When she needs to go to the bathroom she goes down to the nearby river or stream. When she needs to get a drink she goes down to the nearby river or stream. Her home has no electricity and she has never had a hot shower in her life. Her clothes are hand me downs from her older brothers and sisters and even from her parents. She will never learn to read and write and when she grows up to have her children her daughters will do the exact same thing that she is doing now. Sewing soccer balls for American children to enjoy. Stitching balls that she will never play with.

**What I haven't told you is that not only do other countries not have our minimum wage law, but neither do they have laws which insist that children must attend school. They do not have laws that children are not to be put to work. In those factories for Wal-Mart, Nike, Disney and Hasbro are children making your stuff. What this unit is really about is child labor and child slavery!**

## V. Child Labor and Slavery: Some facts.

- Why slavery? Some of these children are sold to factory owners to repay family debt and loans. In some cases the children may work for years before finally being released from slavery. In other cases they never are able to work themselves free of slavery.
  - 153 million child laborers in Asia
  - 80 million in Africa
  - 17.5 million in Central America
- Most of these children never go to school, never become literate, and without an education, never ever get out of poverty.
- When they have children the cycle begins again as their children will also never get out of poverty.
- In their homes most of these children have no sewage, no health care, no clean drinking water, no electricity, no schools, no libraries and little hope.



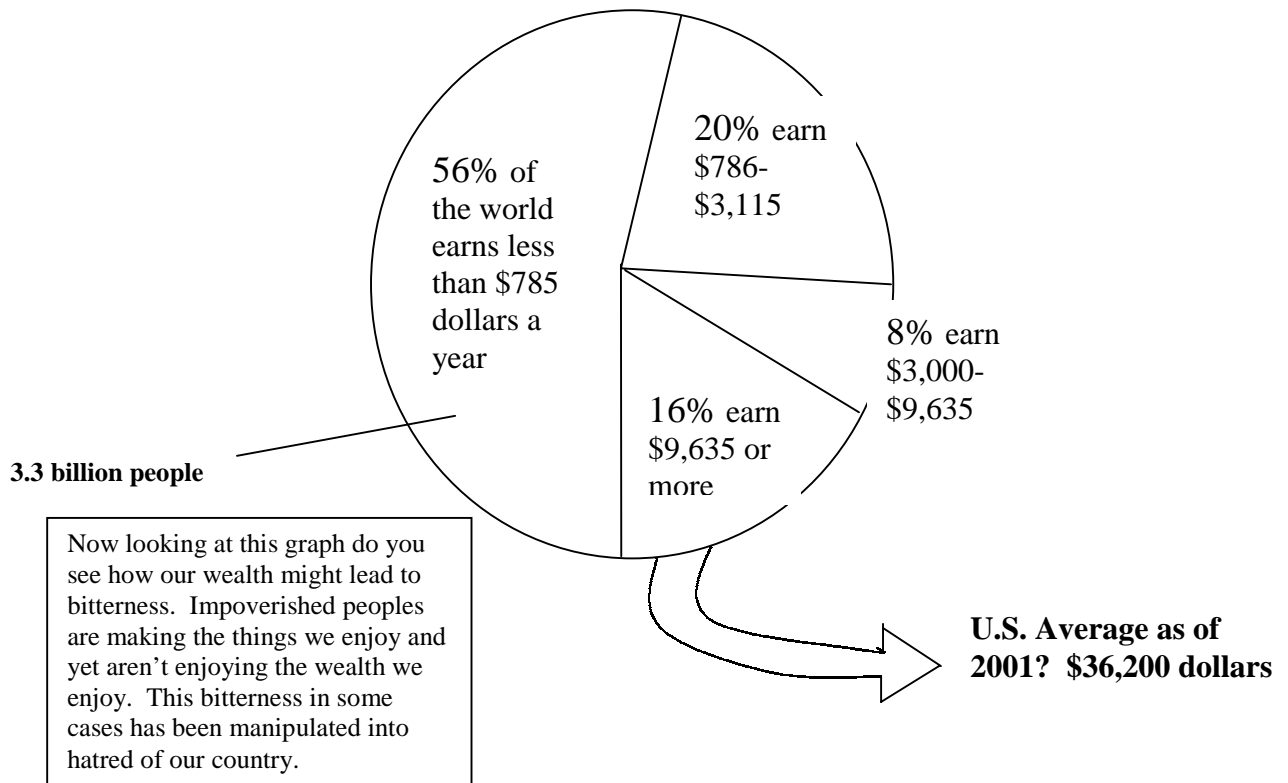
## VI. American Business Abroad: The Effects + & -

- + Americans get cheap goods and wealthy companies.
- Thousands of jobs lost to cheap foreign labor
- Child laborers and slaves around the world
- Bitterness towards America and the wealth we enjoy

## VII. Putting American Wealth in Perspective

**World's Population = 6 billion people**

**U.S. population = 276 million people**



### STAGGERING STATISTICS: How the U.S. compares to other great nations.

<u>Country:</u>	<u>Population:</u>	<u>Literacy:</u>	<u>Per Capita G.D.P.</u>	<u>Life Expectancy:</u>
United States	278,058,881	97%	\$36,200	77.26 years
China	1,273,111,290	81.5%	\$3,600	71.62 years
India	1,029,991,145	52%	\$2,200	62.86 years
Pakistan	144,616,639	42.7%	\$2,000	61.45 years
Bangladesh	131,269,860	56%	\$1,570	60.74 years
Honduras	6,406,052	72.7%	\$2,700	69.35 years

Source: <http://www.odci.gov/cia/publications/factbook/index.html>